

HOUSE BILL 70

Unofficial Copy
B1

2003 Regular Session
3r1172

By: **Delegate Madaleno**

Introduced and read first time: January 22, 2003

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Operating Budget - Revenue Stabilization Fund - Minimum Appropriation**

3 FOR the purpose of increasing a certain percentage used to calculate the minimum
4 annual appropriation to the Revenue Stabilization Fund; deleting an obsolete
5 reference; eliminating a requirement that the Governor include a certain
6 appropriation in the budget bill if the unappropriated General Fund surplus
7 exceeds a certain amount on a certain date; and generally relating to the
8 Revenue Stabilization Fund.

9 BY repealing and reenacting, with amendments,
10 Article - State Finance and Procurement
11 Section 7-311
12 Annotated Code of Maryland
13 (2001 Replacement Volume and 2002 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - State Finance and Procurement**

17 7-311.

18 (a) In this section "Fund" means the Revenue Stabilization Fund.

19 (b) The Revenue Stabilization Fund is established to retain State revenues for
20 future needs and reduce the need for future tax increases by moderating revenue
21 growth.

22 (c) The Fund is a continuing, nonlapsing fund which is not subject to § 7-302
23 of this subtitle.

24 (d) The Fund consists of:

25 (1) moneys appropriated in the State budget to the Fund; and

1 (2) interest or other income earned from the investment of any portion of
2 this Fund or any other account in the State Reserve Fund.

3 (e) Except as provided in subsection (f) of this section, [beginning in fiscal
4 year 1995 and for each subsequent fiscal year,] the Governor shall include in the
5 budget bill an appropriation to the Fund equal to at least the lesser of \$50,000,000 or
6 whatever amount is required for the Fund balance to exceed [5%] 10% of the
7 estimated General Fund revenues for that fiscal year.

8 (f) The appropriations required by subsection (e) of this section are not
9 required when the Fund balance exceeds [5%] 10% of the estimated General Fund
10 revenues.

11 (g) If authorized by an act of the General Assembly or specifically authorized
12 in the State budget bill as enacted, the Governor may transfer funds from the Fund to
13 General Fund revenues.

14 (h) If the budget bill as submitted to the General Assembly includes a transfer
15 of funds from the Fund pursuant to subsection (g) of this section, the budget bill as
16 enacted by the General Assembly may provide for a reduction of the amount of the
17 transfer from the Fund by an amount up to the amount of the reductions made by the
18 General Assembly in the General Fund appropriations.

19 (i) Funds of the Fund may only be transferred from the Fund as provided in
20 this section and are not subject to transfer by budget amendment.

21 [(j) (1) Except as provided in paragraph (2) of this subsection, for fiscal year
22 2004 and for each subsequent fiscal year, the Governor shall include in the budget bill
23 an appropriation to the Fund equal to the amount by which the unappropriated
24 General Fund surplus as of June 30 of the second preceding fiscal year exceeds
25 \$10,000,000.

26 (2) The appropriation required under this subsection for any fiscal year
27 may be reduced by the amount of any appropriation to the Fund required to be
28 included for that fiscal year under subsection (e) of this section.]

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 July 1, 2003.